

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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GREENSTREET FINANCIAL, L.P., a 07 CIV 8005  
Delaware Limited Partnership,

Plaintiff,

-against-

ANSWER

CS-GRACES, LLC, a New York Limited  
Liability Company, and  
RH LODGING SERVICES, LLC, a New  
York Limited Liability Company,

Defendants.

-----X  
Defendants, CS-Graces, LLC ("CS-Graces") and RH Lodging Services, LLC,  
(RH Lodging), by Kalter, Kaplan, Zeiger & Forman, their attorneys, answering the  
plaintiff's Complaint, respectfully: -

PARTIES

1. Deny knowledge or information sufficient to form a belief as to the allegations contained in the paragraph of the Complaint designated "1".
2. Admit each and every allegation contained in the paragraphs of the Complaint designated "2" and "3".

DIVERSITY JURISDICTION UNDER 28 U.S.C. §1332

3. Deny knowledge or information sufficient to form a belief as to the allegations

KALTER, KAPLAN  
ZEIGER & FORMAN

ATTORNEYS AT LAW

WOODBORNE, N.Y. 12788



contained in the paragraph of the Complaint designated "4".

4. Admit each and every allegation contained in the paragraphs of the Complaint designated "5", "6" and "7".

VENUE

5. Admit each and every allegation contained in the paragraphs of the Complaint designated "8" and "9".

6. Deny the allegations contained in the paragraph of the Complaint designated "10", except admit that defendant, RH Lodging, has its principal place of business in the Southern District of New York and the defendant, CS-Graces, has its principal place of business in Ulster County, New York.

7. Deny knowledge or information sufficient to form a belief as to the allegations contained in the paragraphs of the Complaint designated "11" and "12".

FACTS COMMON TO ALL CLAIMS

8. Admit each and every allegation contained in the paragraphs of the Complaint designated "13", "14", "15", "18", "19", "20", "51", "53" and "57".

9. Deny knowledge or information sufficient to form a belief as to the allegations contained in the paragraphs of the Complaint designated "16", "17", "22", "23", "24", "25", "26", "27", "28", "29", "30", "31", "32", "33", "34", "35", "36", "37", "38", "39", "40", "41", "42", "43", "44", "45", "46", "47", "48", "49" and "61".

10. Deny knowledge or information sufficient to form a belief as to the allegations contained in the paragraph of the Complaint designated "21", except admit



that one, Alan Friedberg is named in the 2003 Operating Agreement of RH Lodging and at one time was one of the managers of RH Lodging.

11. Deny the allegations contained in the paragraph of the Complaint designated "50", except admit that on January 30, 2006 the Smul Trust transferred its membership interest to CS-Graces as reflected in Exhibit "I" of the Complaint.

12. Deny the allegations contained in the paragraph of the Complaint designated "52", except admit that Joseph Tso owns a 49% membership interest in CS-Graces, participates in decisions of that company, and is an attorney at law.

13. Deny each and every allegation contained in the paragraphs of the Complaint designated "54", "55", "56" and "59".

14. Deny the allegations contained in the paragraph of the Complaint designated "58", except admit that CC-Graces is currently operating RH Lodging and has not provided plaintiff with financial information pursuant to plaintiff's request.

15. Deny the allegations contained in the paragraph of the Complaint designated "60", except admit that the action against these defendants in the State of Florida has been dismissed.

#### FIRST CAUSE OF ACTION

16. Deny or admit to the same extent as plaintiff realleges each and every allegation as set forth in paragraph "62" of the Complaint.

17. Deny knowledge or information sufficient to form a belief as to the allegations contained in the paragraphs of the Complaint designated "63", "64", "65",



"66", "67" and "69".

18. Deny knowledge or information sufficient to form a belief as to the allegations contained in the paragraph of the Complaint designated "68", except admit that the Smul Trust transferred its membership interest in RH Lodging to CS-Graces.

19. Deny the allegations contained in the paragraph of the Complaint designated "70", except admit that plaintiff seeks in this action to foreclose its claimed security interest in the Smul LLC membership interest in RH Lodging.

#### SECOND CAUSE OF ACTION

20. Deny or admit to the same extent as plaintiff realleges each and every allegation as set forth in paragraph "71" of the Complaint.

21. Admit each and every allegation contained in the paragraph of the Complaint designated "72".

22. Deny knowledge or information sufficient to form a belief as to the allegations contained in the paragraphs of the Complaint designated "73", "74", "75", "76", "78" and "80".

23. Deny knowledge or information sufficient to form a belief as to the allegations contained in the paragraph of the Complaint designated "77", except admit that the Smul Trust conveyed its membership interest in RH Lodging to CS-Graces.

24. Deny knowledge or information sufficient to form a belief as to the allegations contained in the paragraph of the Complaint designated "79", except admit that CS-Graces claims 100% present ownership in RH Lodging.



25. Deny each and every allegation contained in the paragraph of the Complaint designated "81".

THIRD CAUSE OF ACTION

26. Deny or admit to the same extent as plaintiff realleges each and every allegation as set forth in paragraph "82" of the Complaint.

27. Deny knowledge or information sufficient to form a belief as to the allegations contained in the paragraphs of the Complaint designated "83", "84" and "85".

28. Admit each and every allegation contained in the paragraphs of the Complaint designated "86" and "87".

29. Deny each and every allegation contained in the paragraphs of the Complaint designated "88" and "89".

FOURTH CAUSE OF ACTION

30. Deny or admit to the same extent as plaintiff realleges each and every allegation as set forth in paragraph "90" of the Complaint.

31. Deny knowledge or information sufficient to form a belief as to the allegations contained in the paragraphs of the Complaint designated "91" and "92".

32. Deny each and every allegation contained in the paragraphs of the Complaint designated "93", "94" and "96".

33. Deny the allegations contained in the paragraph of the Complaint designated "95", except admit the existence of the written agreement of transfer of the Smul Trust to CS-Graces of the Smul Trust's membership interest in RH Lodging.